

AMENDED IN ASSEMBLY APRIL 27, 2009

CALIFORNIA LEGISLATURE—2009—10 REGULAR SESSION

**ASSEMBLY BILL**

**No. 1125**

---

**Introduced by Assembly Member Hernandez**  
*(Coauthors: Assembly Members Beall, Furutani, Hayashi, Portantino, Saldana, and Torrico)*

February 27, 2009

---

An act to add Section 1232 to the Government Code, relating to state employees, making an appropriation therefor, and declaring the urgency thereof, to take effect immediately.

LEGISLATIVE COUNSEL'S DIGEST

AB 1125, as amended, Hernandez. State employees: compensation.

The California Constitution requires the Legislature to pass a budget bill by June 15 of each year for the fiscal year commencing on July 1. Existing law provides that no state officer or employee shall be deemed to have a break in service or to have terminated his or her employment, for any purpose, nor to have incurred any change in his or her authority, status, or jurisdiction or in his or her salary or other conditions of employment, solely because of the failure to enact a Budget Act for a fiscal year prior to the beginning of that fiscal year. Under the California Constitution, money may be drawn from the Treasury only through an appropriation made by law and upon a Controller's duly drawn warrant.

This bill would continuously appropriate from the General Fund and other specified funds to the Controller an amount necessary for the payment of compensation and employee benefits to state employees, as defined, for work performed on or after July 1 of a fiscal year for which no budget has been enacted.

This bill would specify, if a memorandum of understanding is in effect that has been approved by the Legislature, that the compensation and contribution for employee benefits for represented state employees be at a rate consistent with the memorandum of understanding and, for state employees excluded from collective bargaining, at the rate approved by the Department of Personnel Administration prior to the commencement of the fiscal year for which a Budget Act has not been enacted. The bill would require, if a memorandum of understanding is not in effect for represented state employees and the department has not approved a compensation package for state employees excluded from collective bargaining, that the compensation and contribution for employee benefits for represented state employees and state employees excluded from collective bargaining be at the rate in effect at the expiration of the last fiscal year for which a budget was enacted.

This bill would declare that it is to take effect immediately as an urgency statute.

Vote:  $\frac{2}{3}$ . Appropriation: yes. Fiscal committee: yes.  
State-mandated local program: no.

*The people of the State of California do enact as follows:*

1     SECTION 1. Section 1232 is added to the Government Code,  
2     to read:  
3     1232. (a) Notwithstanding Section 13340, in any fiscal year  
4     in which the Budget Act is not enacted by July 1 of that fiscal year,  
5     there is hereby continuously appropriated without regard to fiscal  
6     years to the Controller from the General Fund, unallocated special  
7     funds, federal funds, and any other fund from which state  
8     employees are compensated, the amount necessary for the payment  
9     of compensation and employee benefits to state employees until  
10    the Budget Act of that fiscal year is enacted. The Controller may  
11    expend an amount no greater than that necessary to enable the  
12    Controller to compensate state employees for work performed  
13    between July 1 of the applicable fiscal year and the enactment of  
14    the Budget Act.  
15    (b) If there is a memorandum of understanding in effect that  
16    has been approved by the Legislature, the compensation and  
17    contribution for employee benefits for represented state employees  
18    shall be at a rate consistent with the memorandum of understanding  
19    and compensation and contribution for employee benefits for state

1 employees excluded from collective bargaining shall be at the rate  
2 approved by the Department of Personnel Administration prior to  
3 the commencement of the fiscal year for which a Budget Act has  
4 not been enacted. ~~If there is no~~ a memorandum of understanding  
5 *is not* in effect and if the department has not approved a  
6 compensation package for state employees excluded from collective  
7 bargaining, compensation and contribution for employee benefits  
8 for represented state employees and state employees excluded  
9 from collective bargaining shall be at the rate in effect at the  
10 expiration of the last fiscal year for which a budget was enacted.

11 (c) The Department of Finance may, upon enactment of the  
12 Budget Act and in the absence of this action being taken by the  
13 Legislature or the Governor in that Budget Act, reduce the  
14 applicable Budget Act allocations by the amount of any warrants  
15 drawn pursuant to subdivision (a).

16 (d) For the purposes of this section, “state employee” means an  
17 employee as defined in Section 19815.

18 SEC. 2. This act is an urgency statute necessary for the  
19 immediate preservation of the public peace, health, or safety within  
20 the meaning of Article IV of the Constitution and shall go into  
21 immediate effect. The facts constituting the necessity are:

22 In order that state employees may be compensated for work  
23 performed without delay in the event of a budget impasse, and in  
24 order that funds may be continuously appropriated to the Controller  
25 at the earliest possible time for the purposes of compensating state  
26 employees, it is necessary that this act take effect immediately.